GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:4100
ANSWERED ON:19.04.2000
MODERNISATION OF SAIL
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;DR. KIRIT SOMAIYA;RAMSHETH THAKUR

Will the Minister of STEEL be pleased to state:

(a) whether the modernization projects of steel plants of SAIL has failed to improve the financial health of SAIL plants and their profit started dipping sharply since 1997-98 onwards;

(b) if so, the details thereof;

(c) whether the Government have found involvement of some senior executives in the mishandling of the projects and bungling of funds;

(d) if so, the details thereof and the action taken against them;

(e) whether the Government propose to set up a high level committee to probe the expenditure on modernization project; and

(f) if so, the details thereof indicating the terms of references of the Committee?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) & (b): Profit of SAIL has dipped from 1997-98 mainly due to sluggish demand for steel, greater competition from imports, enhancement in supplies in domestic market and higher interest and depreciation cost on capitalization of modernization of RSP, DSP and BSL while the benefit of modernization would materialize in phases. The net profit /loss of Steel Authority of India Limited (SAIL) from 1997-98 is as below:

(Rs in crores)

Year	Profit/Loss (after tax)
1997-98	133
1998-99	(-) 1574
1999-00 (upto Dec`99)	(-) 2049

(c) No, Sir.

(d) Does not arise in view of (c) above.

(e) & (f): Matter is under consideration of the Government.